

October 10, 2014

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FILED  
2014 OCT 24 P 12:13  
CLERK OF COURT  
DETROIT, MI 48226

RE: CITY OF DETROIT ANNUITY SAVINGS FUND (ASF) RECOUPMENT CALCULATION FOR:  
CAROLYN L. MATTHEWS, PENSION #187795, RETIREMENT YEAR 2009/2010  
CLASS 11 and 12

Following is an excerpt from a City of Detroit publication entitled: ANNUITY SAVINGS FUND RECOUPMENT PROCEDURE – DETROIT BANKRUPTCY, POSTED 7/4/2014 at the [detroitcityretirees.wordpress.com](http://detroitcityretirees.wordpress.com) site.

6.....The calculation of the ASF Recoupment amount is (a) based either on the amount of excess interest credited to your account between July 1, 2003 and July 30, 2013 or (b) 20% of the highest balance in your account during that period, whichever is lower. The ASF Recoupment amount is also capped at 15.5% of your monthly pension check. Note: Alpha designations are writers.

I interpret the above referenced City dictated procedure to mean that whichever calculation is used the recoupment period is 10 years (July 2003 – June 2013), but if application (a) is used only the amount of interest the city deems as excessive is targeted for recoupment, however, if application (b) is used both the ASF participants' personal after-tax savings, as well as, ALL interest earned is included in the recoupment calculation. In my case, it seems that the calculation procedure used was a perverted hybrid of both the entire dictated calculation procedure which did not produce the lowest City proposed recoupment amount for me.

My proposed recoupment amount is exactly 20% of my approximate 15 year ASF accumulation; both my contributions and ALL the interest earned are used as factors in determining proposed recoupment amount. Surely, I do not have to return to the City any percentage of previously taxed monies that I saved in my ASF, and interest earned in years not included in the excess interest recapture period. I have included a copy of my 2003-2004 FISCAL YEAR ANNUITY REFUND REPORT which indicates the balances of both interest and contributions that were carried over into 2003-2004. Also, I have included fiscal annuity refund report for 2005-2009, which show the interest earned in the years in which my ASF account should be subjected to ASF excess interest recoupment (2003-2009) as dictated by the City.

I am referring this matter to you because, it has come to my attention that at a July 15, 2014, bankruptcy hearing that Judge Steven Rhodes, issued a directive/order to you to have a system developed wherein retirees subject to ASF recoupment can have their recoupment related questions answered and concerns addressed.

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Carolyn L. Matthews  
Pension # 187795

Specifically, I am requesting

1. To have my ASF fund contributions extracted from formula used to derive at my proposed recoupment amount because according to information generated by the City, only excess interest earned is subject to recoupment, moreover, I believe it is unlawful to force payment of money, that is, my fund contributions to be paid to the City.
2. To have proposed recoupment calculation confined to 10 year period as stated in City directive.
3. Furnish each year that excess interest was earned on my account. Also, the amount and percentage that was deemed to be excessive.
4. Furnish the rate of interest that the General Retirement System ASF realized each year of the years my ASF account is affected by recoupment.

In summary, it appears that my proposed amount to be recouped by the City is incorrect. The amount is derived by taking a percentage of all monies accumulated in my annuity account and not limited to whatever monies that may have been deemed as excessive interest or to the City specified time period.

Sincerely,



Carolyn L. Matthews  
26729 Evergreen Meadows  
Southfield, Michigan 48076

Enclosures:

Copy of Annuity Savings Fund Recoupment Procedure – Detroit Bankruptcy  
Alternative A and B worksheet included with Ballot  
Fiscal Year Annuity Refund Report (2003-2009)

Cc: File  
Judge Steven Rhodes

Carolyn L. Matthews  
pension # 18-7795

**ALTERNATIVE A:** If both Class 10 (the PFRS Pension Claims) and Class 11 (the GRS Pension Claims) vote to accept the Plan and the Court approves the Plan, the Outside Funding will be contributed to GRS. Under this alternative, your monthly pension payments are estimated to change as follows:

Line 1: Your Current Monthly Pension Is:	\$1,679.74
Line 2: Line 1 multiplied by 0.955 (to show a 4.5% reduction) is:	\$1,604.15
Line 3: Your Estimated Annuity Savings Fund Monthly Recoupment is:***	\$177.43
Line 4: Your New Estimated Monthly Pension Payment (flat payment; no COLAs) is:	\$1,426.72
*** The <u>total</u> Estimated Amount of your Annuity Savings Plan Recoupment is:	\$19,857.03

\*\*\*

**ALTERNATIVE B:** If either Class 10 or Class 11 votes to reject the Plan and the Court approves the Plan, the Outside Funding will not be contributed to GRS. Under this alternative, your monthly pension payments are estimated to change as follows:

Line 1: Your Current Monthly Pension Is:	\$1,679.74
Line 2: Line 1 multiplied by 0.73 (to show a 27% reduction) is:	\$1,226.21
Line 3: Your Estimated Annuity Savings Fund Monthly Recoupment is:***	\$177.43
Line 4: Your New Estimated Monthly Pension Payment (flat payment; no COLAs) is:	\$1,048.78
*** The <u>total</u> Estimated Amount of your Annuity Savings Plan Recoupment is:	\$19,857.03

\*\*\*

In addition, if you vote for the Plan and the adjusted pension amount you are to receive under the Plan is so low that your total income falls below a certain level, you may be eligible to receive supplemental payments. These additional payments will not be available to higher income retirees.

For more information regarding the calculation of the amount of your allowed claim and your monthly pension payments, please consult with your counsel and/or counsel to the Retiree Committee.

#### **SUBMITTING YOUR BALLOT:**

If you were not retired or a surviving beneficiary as of the Pension Record Date, if you did not hold a GRS Pension Claim as of the Pension Record Date, or if you believe for any other reason that you received the wrong ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at [detroitinfo@kccllc.com](mailto:detroitinfo@kccllc.com).

To have your vote counted, you must complete, sign and return this Ballot in accordance with the voting information and instructions provided below. You must complete your Ballot and return it to the Balloting Agent so that it is actually received by the Voting Deadline.

The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent to the City, the Bankruptcy Court or any entity other than the Balloting Agent.



10/1/14 8:09 am

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**Retirement Systems City of Detroit**  
**2003-2004 Fiscal Year Annuity Refund Report**

MATTHEWS,CAROLYN L

Pension Number 187795

Revenue Group Water      Payroll Status Active      Annuity Status Active  
Vested? No      Birth Date 01/24/1946      Start Date 02/11/1974      WComp Status  
Address 460 W.CANFIELD APT.207 DETROIT, MI 48201

Last Annuity Date 06/25/2004

	<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	\$33,542.58	<u>Up To 1970</u>	<u>Pre Tax</u> \$0.00	<u>Pre Tax</u> \$0.00
<u>Current Contribution</u>	\$3,148.42	<u>Total To Date*</u>	<u>Post-Tax</u> \$16,434.89	<u>Post-Tax</u> \$0.00
<u>Total To Date</u>	\$36,691.00	<u>Current Year*</u>	<u>Interest</u> \$2,767.94	<u>Total</u> \$0.00
<u>Total Contributions</u>	\$23,024.05	<u>Pre-Tax Contribution</u>	<u>Total</u> \$0.00	

Non-Tax Amount \$23,024.05      Tax Amount\* \$16,434.89

Total Annuity \$39,458.94      Net Annuity\* \$39,458.94

This includes 03-04 bonus distribution of: \$0.00

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13-53846-tjt

MATTHEWS,CAROLYN L

*Retirement Systems City of Detroit*  
**2004-2005 Fiscal Year Annuity Refund Report**

Pension Number 187795

Revenue Group Water      Payroll Status Active      Annuity Status Active  
Vested? No      Birth Date 01/24/1946      Start Date 02/11/1974      WComp Status  
Address 460 W.CANFIELD APT.207 DETROIT, MI 48201

Last Annuity Date 06/24/2005

	<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	\$39,458.94	<u>Up To 1970</u>	<u>Pre Tax</u> \$0.00	<u>Pre Tax</u> \$0.00
<u>Current Contribution</u>	\$3,282.56	<u>Total To Date*</u>	<u>Post-Tax</u> \$20,294.02	<u>Post-Tax</u> \$0.00
<u>Total To Date</u>	\$42,741.50	<u>Current Year*</u>	<u>Interest</u> \$3,859.13	<u>Total</u> \$0.00
<u>Total Contributions</u>	\$26,306.61	<u>Pre-Tax Contribution</u>	<u>Total</u> \$0.00	

Non-Tax Amount \$26,306.61      Tax Amount\* \$20,294.02

Total Annuity \$46,600.63      Net Annuity\* \$46,600.63

This includes 04-05 bonus distribution of:

\$616.19

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*Retirement Systems City of Detroit*  
**2005-2006 Fiscal Year Annuity Refund Report**

MATTHEWS,CAROLYN L.

Pension Number 187795

<u>Revenue Group</u>	Water	<u>Payroll Status</u>	Active	<u>Annuity Status</u>	Active
<u>Vested?</u>	No	<u>Birth Date</u>	01/24/1946	<u>Start Date</u>	02/11/1974
<u>Address</u>	9563 STOUT DETROIT, MI 48228				

Last Annuity Date 06/30/2006

	<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	\$46,600.63	<u>Up To 1970</u>	<u>Pre Tax</u>	<u>Pre Tax</u>
<u>Current Contribution</u>	\$3,212.30	<u>Total To Date*</u>	<u>Post-Tax</u>	<u>Post-Tax</u>
<u>Total To Date</u>	\$49,812.93	<u>Current Year*</u>	<u>Interest</u>	<u>Total</u>
<u>Total Contributions</u>	\$29,518.91	<u>Pre-Tax Contribution</u>	<u>Total</u>	
<u>Non-Tax Amount</u>	\$29,518.91	<u>Tax Amount*</u>		
<u>Total Annuity</u>	\$60,925.89	<u>Net Annuity*</u>		

This includes 05-06 bonus distribution of:

\$7,234.39

10/11/14 8:11 am

**Retirement Systems City of Detroit**  
**2006-2007 Fiscal Year Annuity Refund Report**

MATTHEWS,CAROLYN L.

Pension Number 187795

<u>Revenue Group</u>	Water	<u>Payroll Status</u>	Active	<u>Annuity Status</u>	Active
<u>Vested?</u>	No	<u>Birth Date</u>	01/24/1946	<u>Start Date</u>	02/11/1974
<u>Address</u>	9563 STOUT DETROIT, MI 48228				

Last Annuity Date 06/29/2007

<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	<u>Up To 1970</u>	<u>Pre Tax</u>	<u>Pre Tax</u>
\$60,925.89	\$0.00	\$0.00	\$0.00
<u>Current Contribution</u>	<u>Total To Date*</u>	<u>Post-Tax</u>	<u>Post-Tax</u>
\$2,928.33	\$46,712.91	\$0.00	\$0.00
<u>Total To Date</u>	<u>Current Year*</u>	<u>Interest</u>	<u>Total</u>
\$63,854.22	\$15,305.93	\$0.00	\$0.00
<u>Total Contributions</u>	<u>Pre-Tax Contribution</u>	<u>Total</u>	
\$32,447.24	\$0.00	\$0.00	

Non-Tax Amount \$32,447.24 Tax Amount\* \$46,712.91

Total Annuity \$79,160.15 Net Annuity\* \$79,160.15

This includes 06-07 bonus distribution of: \$10,376.50

10/11/14 8:12 am

*Retirement Systems City of Detroit*  
**2007-2008 Fiscal Year Annuity Refund Report**

MATTHEWS,CAROLYN L.

Pension Number 187795

<u>Revenue Group</u>	Water	<u>Payroll Status</u>	Active	<u>Annuity Status</u>	Active
<u>Vested?</u>	No	<u>Birth Date</u>	01/24/1946	<u>Start Date</u>	02/11/1974
<u>Address</u>	26729 EVERGREEN MEADOWS CT SOUTHFIELD, MI 48076				

Last Annuity Date 06/27/2008

	<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	\$79,160.15	<u>Up To 1970</u>	<u>Pre Tax</u>	<u>Pre Tax</u>
<u>Current Contribution</u>	\$3,196.04	<u>Total To Date*</u>	<u>Post-Tax</u>	<u>Post-Tax</u>
<u>Total To Date</u>	\$82,356.19	<u>Current Year*</u>	<u>Interest</u>	<u>Total</u>
<u>Total Contributions</u>	\$35,643.28	<u>Pre-Tax Contribution</u>	<u>Total</u>	
<u>Non-Tax Amount</u>	\$35,643.28	<u>Tax Amount*</u>		
<u>Total Annuity</u>	\$88,733.87	<u>Net Annuity*</u>		

This includes 07-08 bonus distribution of: \$0.00



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MATTHEWS,CAROLYN L

*Retirement Systems City of Detroit*  
**2008-2009 Fiscal Year Annuity Refund Report**

Pension Number 187795

<u>Revenue Group</u>	Water	<u>Payroll Status</u>	Active	<u>Annuity Status</u>	Active
<u>Vested?</u>	No	<u>Birth Date</u>	01/24/1946	<u>Start Date</u>	02/11/1974
<u>Address</u>	26729 EVERGREEN MEADOWS CT SOUTHFIELD, MI 48076				

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Last Annuity Date 06/26/2009

	<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	\$88,733.87	<u>Up To 1970</u>	<u>Pre Tax</u>	<u>Pre Tax</u>
<u>Current Contribution</u>	\$3,406.22	<u>Total To Date*</u>	<u>Post-Tax</u>	<u>Post-Tax</u>
<u>Total To Date</u>	\$92,140.09	<u>Current Year*</u>	<u>Interest</u>	<u>Total</u>
<u>Total Contributions</u>	\$39,049.50	<u>Pre-Tax Contribution</u>	<u>Total</u>	
<u>Non-Tax Amount</u>	\$39,049.50	<u>Tax Amount*</u>		
<u>Total Annuity</u>	\$99,285.14	<u>Net Annuity*</u>		

This includes 08-09 bonus distribution of: \$0.00

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**Retirement Systems City of Detroit**  
**2009-2010 Fiscal Year Annuity Refund Report**

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MATTHEWS,CAROLYN L

Pension Number 187795

<u>Revenue Group</u>	Water	<u>Payroll Status</u>	Retired	<u>Annuity Status</u>	Retired
<u>Vested?</u>	No	<u>Birth Date</u>	01/24/1946	<u>Start Date</u>	02/11/1974
<u>Address</u>	26729 EVERGREEN MEADOWS CT SOUTHFIELD, MI 48076				
		<u>WComp Status</u>			

Last Annuity Date 06/25/2010

	<u>Accumulated Balance</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Annuitized</u>
<u>July 1 Balance</u>	\$99,285.14	<u>Up To 1970</u>	<u>Pre Tax</u> \$0.00	<u>Pre Tax</u> \$0.00
<u>Current Contribution</u>	\$1,081.00	<u>Total To Date*</u>	<u>Post-Tax</u> (\$40,130.50)	<u>Post-Tax</u> \$0.00
<u>Total To Date</u>	\$100,366.14	<u>Current Year*</u>	<u>Interest</u> (\$63,820.03)	<u>Total</u> \$0.00
<u>Total Contributions</u>	\$40,130.50	<u>Pre-Tax Contribution</u>	<u>Total</u> (\$103,950.53)	
<u>Non-Tax Amount</u>	\$40,130.50	<u>Tax Amount*</u>		
<u>Total Annuity</u>	\$103,950.53	<u>Net Annuity*</u>		

This includes 09-10 bonus distribution of: \$0.00